WORKFORCE OBSERVATIONS
FOR MILWAUKEE COUNTY/WOW COUNTIES
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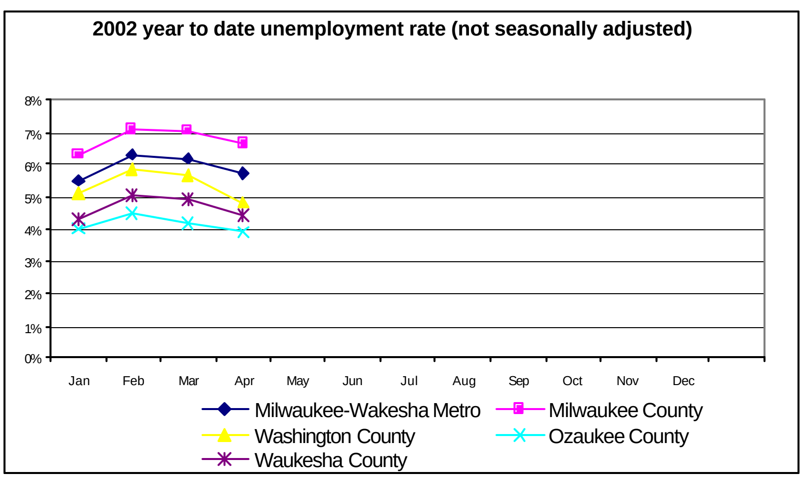
State of Wisconsin
Department of Workforce Development

More signs of improvement

The Milwaukee-Waukesha Metropolitan Statistical Area (MSA) reflected signs of increased stability in the state labor force over the course of the month of April. As the state unemployment rate stabilized at 5.7%, an 0.8% decrease from March, the Milwaukee-Waukesha seasonally adjusted unemployment rate was also 5.7%, a 0.4% decrease from a month ago. While the recent decrease shows a significant improvement in the regional labor force in the near term, the current unemployment situation continues to lag behind that of 2001, when the April unemployment rate was 4.5%, or 1.2% lower than the current rate. The roots of this downward shift in unemployment can be traced back to positive movement in all three components of the labor force. Taken separately, the number of workers employed increased by 3,800, while the number of those considered unemployed decreased by 1,400. Taken as an aggregate, these measures are joined by a 2,440 decrease in the labor force, either due to retirement or detachment. The measure of unemployed and the labor force combine to result in the lower unemployment rate.

The **Milwaukee County** not seasonally adjusted unemployment rate stood at 6.6% percent in April. The county reported unemployment was 0.4% lower than a month earlier, matching the metropolitan area decrease for the second month in a row. The unemployment rate continues to run higher than that observed a year ago, when the April unemployment rate was reported at 5.3%, or 1.6% lower than current. While the higher rate continues to show the effects of the recession that the region continues to emerge from, when taken in perspective 2001 was an unusual year with regards to the county unemployment rate, as the county experienced a period of four consecutive months with identical unemployment rates of 5.4%. While this certainly indicated a desired degree of stability, it also defied economic convention. Within this context, 2002 appears to be exhibiting more normal labor force patterns.



Industry-specific employment continued its recent pattern of "feast or famine" growth over the month of April. Manufacturing employment, which has been hardest hit through the recent slowdown again posted an aggregate loss of 590 positions in the metropolitan area. Much of this loss was concentrated in Milwaukee (220) and Waukesha (170) Counties. Losses in manufacturing positions appear to be concentrated in durable goods firms, as the nondurable goods sector has remained relatively stable throughout 2002. Significant employment gains were observed in construction (1,670), retail trade, and services (2,220). These gains are all consistent with regional growth trends and seasonal hiring patterns. High demand in health care and customer service occupations continue to drive hiring patterns in the region as a result of significant shortages in the respective sectors.

Again, reflecting a pattern of improvement and stability, the employment situation in the WOW counties of Washington, Ozaukee, and Waukesha reported several significant changes over the course of the past month. The regional not seasonally adjusted unemployment rate was reported at 4.4% in April, which represents a 0.5% decrease from March, and a 1.5% increase over the same time last year. As was reported in the regional labor market, as well as that of Milwaukee County, the number of those attached to the labor force (-1,260), those employed (580) and the number of unemployed workers (-1,840) contributed to the lower aggregate unemployment rate. The seasonal fluctuations in the labor market are also consistent with economic expectations.

Moving from a regional to a county perspective, the not seasonally adjusted unemployment rate in the three WOW counties showed significant decreases over the course of the month. Washington County reported a 4.8% rate, nearly a percent lower than the March rate, Ozaukee County reported a 3.9% rate, and Waukesha County again mirrored the regional workforce in reporting a 4.4% rate. Each of the three WOW County rates remains higher than that of a year ago, ranging between 1.0% for Washington and Ozaukee Counties to 1.7% for Waukesha County. Despite these increases, the steady decline that has been observed over the past two months is a sign for optimism.

Employment growth in the WOW Counties was concentrated

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in construction (930), retail trade (780) and services (620), again reflecting regional growth patterns and the concentration of high demand occupations in customer service and health care. Reflecting residential migration trends, the majority of new construction employment (760) was concentrated in Waukesha County. Employment levels remain off pace with those observed a year ago in a number of key sectors, including manufacturing (-2,940), transportation, communication, and public utilities (-430), and wholesale trade (-620), while a number of sectors, including construction, services, and retail trade have either returned to their former level of employment or surpassed the employment levels observed one year earlier.

One area of interest, in light of recent events, is potential growth or decline in government employment. As the present school year comes to an end, a seasonal decrease in govemment employment typically occurs. While statewide govemment employment increased by over 4,000 positions, regional government employment has decreased by 430 positions with 300 lost positions attributed to Milwaukee County. As the County continues to analyze the legality of its controversial pension plan, a number of additional retirements could be expected. Also, with budget deliberations continuing at the state level, the possibility of a reduction of shared revenue payments to counties and municipalities may lead to additional job losses in service provision. However, all indications suggest that these losses will be significantly fewer than what public rhetoric would suggest.

Despite this point of uncertainty, the regional economy enters the pivotal summer months strong and poised for continued growth through the remainder of 2002.

April 2002	Wisconsin	Milwaukee-Waukesha MSA	Milwaukee County/WDA	Washington County	Ozaukee County
Civilian Labor Force*	*3,047,112*	*826,152*	*488,299*	*69,575*	*49,509*
Persons Employed	*2,873,581*	*778,849*	*455,930*	*66,237*	*47,578*
Persons Unemployed	*173,531*	*47,303*	*32,369*	*3,338*	*1,931*
Unemployment Rate	*5.7%*	*5.7%*	*6.6%*	*4.8%*	*3.9%*
Total jobs of all non-farm industries**	2,811,636	854,873	550,690	46,494	38,697
Goods Producing Jobs	683,127	191,028	96,602	17,170	12,980
Service Producing Jobs	2,128,509	663,845	454,088	29,324	25,717
Construction & Mining	119,671	32,711	13,483	2,542	1,497
All Manufacturing	563,456	158,317	83,119	14,627	11,483
Transportation, Communications & Public Utilities	131,272	39,080	28,587	1,769	829
Wholesale Trade	136,833	46,976	24,175	2,320	1,544
Retail Trade	497,388	135,491	84,118	8,432	7,139
Finance, Insurance, and Real Estate	151,840	58,007	42,123	1,973	1,944
Services	781,927	288,170	207,453	9,170	10,181
All Government	429,249	96,121	67,632	5,660	4,081
Change from March 2002					
Civilian Labor Force*	*-2,700*	*-2,440*	*-1,180*	*-510*	*-60*
Persons Employed	*22,470*	*1,400*	*820*	*120*	*90*
Persons Unemployed	*-25,170*	*-3,840*	*-2,000*	*-630*	*-150*
Unemployment Rate	*-0.8%*	*-0.4%*	*-0.4%*	*-0.9%*	*-0.3%*
Total jobs of all non-farm industries**	37,240	5,040	3,010	220	210
Goods Producing Jobs	11,040	1,090	390	40	40
Service Producing Jobs	26,200	3,950	2,620	180	170
Construction & Mining	10,790	1,630	670	90	70
All Manufacturing	250	-550	-290	-50	-40
Transportation, Communications & Public Utilities	1,230	-70	-50	0	0
Wholesale Trade	1,150	110	60	10	0
Retail Trade	7,260	2,070	1,290	130	110
Finance, Insurance, and Real Estate	540	50	40	0	0
Services	11,590	2,220	1,600	70	80
All Government	4,440	-430	-300	-30	-20
Change from April 2001					
Civilian Labor Force*	*78,350*	*18,740*	*11,350*	*1,410*	*1,000*
Persons Employed	*47,040*	*7,730*	*4,520*	*660*	*470*
Persons Unemployed	*31,310*	*11,010*	*6,830*	*760*	*520*
Unemployment Rate	*0.9%*	*1.2%*	*1.3%*	*1.0%*	*1.0%*
Total jobs of all non-farm industries**	-4,510	-8,470	-4,700	-670	-490
Goods Producing Jobs	-25,790	-6,210	-3,260	-570	-450
Service Producing Jobs	21,280	-2,260	-1,450	-100	-40
Construction & Mining	80	-20	-10	0	0
All Manufacturing	-25,860	-6,190	-3,250	-570	-450
Transportation, Communications & Public Utilities	-3,640	-1,610	-1,180	-70	-30
Wholesale Trade	160	-1,310	-680	-60	-40
Retail Trade	3,810	750	470	50	40
Finance, Insurance, and Real Estate	3,340	180	130	10	10

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